

# The North Carolina Biotechnology Center

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Network (BATON)

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**North Carolina  
Biotechnology Center**



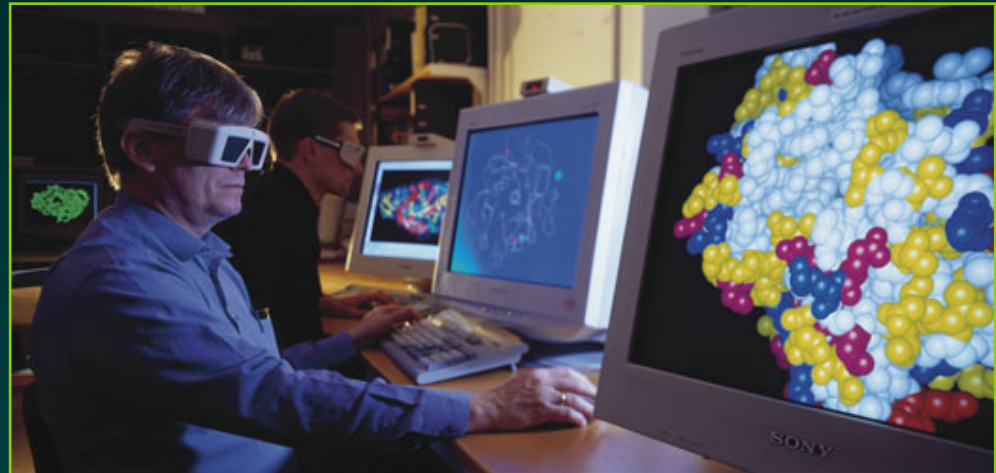
# North Carolina Biotechnology Center

- A private, non-profit corporation
- Established by the State in 1984
- \$17.6 million budget
- 72-member staff
- HQ: RTP, NC
- Five regional offices:
  - Asheville
  - Charlotte
  - Greenville
  - Wilmington
  - Winston-Salem



# Mission

To provide long-term economic and societal benefits to North Carolina by supporting biotechnology research, business and education statewide



NORTH CAROLINA BIOTECHNOLOGY CENTER

# Operating Philosophies

- Remain non-partisan
- Do not conduct laboratory research
- Enhance instead of duplicate
- Leverage resources
- Partner with others



# Leveraging Resources

## Through Partnerships

- NC agencies
- National agencies
- Industry
- Policy makers
- Investors
- International partners
- Universities & TTOs
- Community colleges

# Business Resources

## Funding Programs

- Loans to support NC biotechnology companies

## NC Life Science Business Development Initiative

- Facilitate potential partnering opportunities between NC life science companies and larger companies

## Networking Events & Education Programs

- Biotech Forums, Biotech Day

## Informational Resources

- Library - "business of biotechnology"
- Wet Lab Space Availability webpage
- BioSciNC - Web-based company & services directory

# Biotechnology Center Loan Programs

- 👉 “Build a bridge” to a company’s next important technical or commercial milestone
  - Not in the business of “building piers”
- 👉 Dovetail with other financial resources available to early-stage companies (*e.g.*, SBIR grants, angel & venture investment)
- 👉 Support company...
  - Inception
  - Research
  - Growth

# Inception-stage Programs

## Business Development Loan (BDL)

- \$25K to fund early stage business activities
  - Incorporation, market research, patent search, business plan development, *etc.*
- Loan must be matched by the company

## Business Acceleration & Technology Out-licensing Network (BATON)

- Partner with TTOs to commercialize university technologies
- Contributed stakeholder services (*"it takes a village"*):
  - Accounting, banking, business mentoring, legal, market research, BusDev, product development and regulatory planning, grants writing, *etc.*
  - *Pro bono*, discounted or deferred compensation, work for equity, *etc.*
- TEAM Loan: \$50K to stimulate & leverage stakeholder contributions
- Identify and recruit an entrepreneur/CEO to take the opportunity forward



# Research Loans

## SBIR Bridge Loan

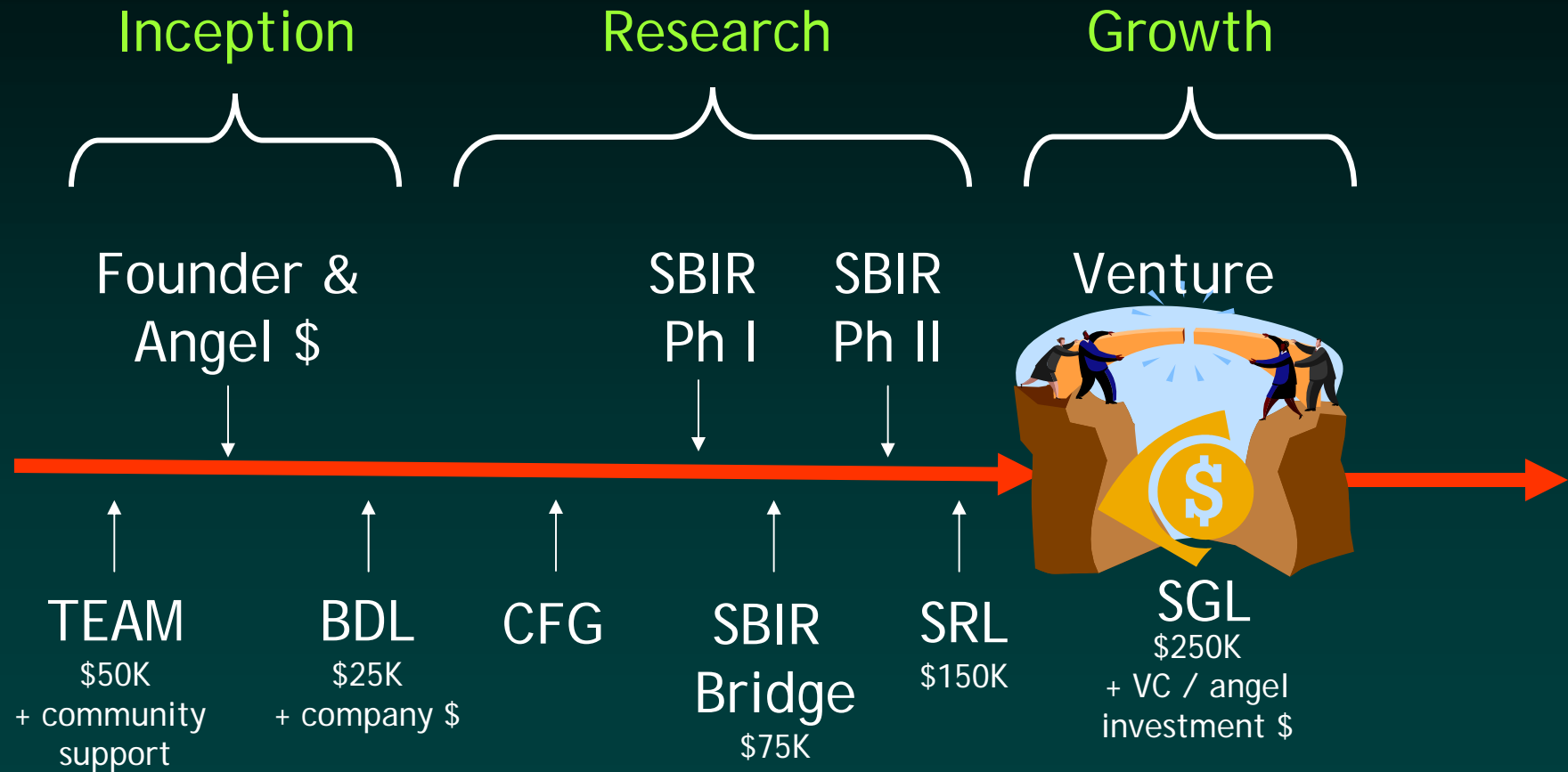
- \$75K to support company research between SBIR Phase 1 and Phase 2 grant cycles
- Maintain technology development momentum during gap

## Small Business Research Loan (SRL)

- \$150K to support product development research leading to a clear value “inflection point” for the technology
- Often POC, technology validation, preclinical development
- Business plan required
- Subject to external due diligence

*NOTE: The State of North Carolina provides matching funds to recipients of Federal Phase I SBIR/STTR grants*

# Staging of Biotechnology Center Loan Programs



# Corporate Development

## Strategic Growth Loan (SGL)

- \$250,000 loan
- Leverages a matching investment from either an angel network or a venture fund
- Assumes the company has achieved a commercially important POC, (*e.g.*, through SRL, SBIR grant)
- Provides a significant level of funding that will help the company reach a meaningful, fundable event
- For company growth, not restricted to research
- Not for “bricks and mortar” or “C-level” employee salaries / benefits

# Loan Terms

Loans are tranching:

- 50% upon signing
- 40% upon mid-point report
- 10% upon final report

Unsecured

5 - year balloon payment

1 percentage point above prime

For loans of \$75,000 or above, we take 25% of the loan amount in warrant coverage

# Success measures

Since inception:

- ~\$17 million\*
- 112 companies\*
- \$1.6 billion in follow-on funding

\* As of 3/4/08

\* Prior to 1989 the Center awarded grants to companies, after 1989 only loans provided to companies

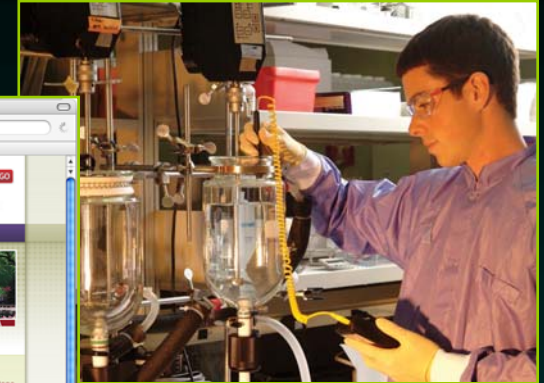
# Collaborative Funding Grant (CFG)

Supports a postdoctoral fellow performing a research project in a university research laboratory on behalf of a company sponsor.

4-way partnership:

- Biotechnology Center
- Kenan Institute
- University
- Company Partner

Company Size (# of employees)	Company Contribution	Biotech Center and Kenan	University In-Kind Contribution
1-10	\$10,000	\$50,000	\$20,000
101 +	\$20,000	\$40,000	\$20,000



[www.ncbiotech.org](http://www.ncbiotech.org)

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